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Fiscal Year

Ending June 30, 1990

STATE DOCUMENTS COLLECTION

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HELENA, MONTANA 59620

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MONTANA STATEWIDE COST ALLOCATION PLAN

TABLE OF CONTENTS

Page

COST ALLOCATION AGREEMENT:
Fiscal Year Ending June 30, 1990..... 1

SUMMARY TABLE - MONTANA STATEWIDE COST ALLOCATION PLAN..... 3

NARRATIVES - STATE CENTRALIZED SERVICES - INDIRECT COSTS:

Building Use Charge..... 5

Equipment Use Charge..... 6

Department of Administration:

Director's Office..... 7

Accounting..... 8

Publication and Graphics..... 9

Information Services (DP) Division..... 10

Telecommunications..... 11

General Services..... 12

Property & Supply Bureau..... 13

Purchasing Bureau..... 14

Mail & Distribution..... 15

Centralized Services/Treasury Division..... 16

Personnel Division..... 18

State Auditor's Office..... 19

Legislative Auditor..... 21

State Library Commission..... 23

Office of Budget & Program Planning..... 24

COST ALLOCATION AGREEMENT
STATE AND LOCAL GOVERNMENTS

STATE OF MONTANA
DEPT. OF ADMINISTRATION
CAPITOL BUILDING
HELENA, MT 59601

DATE: May 24, 1991
FILING REF.: The preceding agreement was dated:

March 1, 1990 G12209

SECTION I: ALLOCATED COSTS

The central service costs listed in Exhibit A, attached, are approved on a Fixed basis and may be included as part of the costs of the State/local departments and agencies indicated during your fiscal year ende June 30, 1990 for further allocation to Federal grants, contracts and other agreements performed at those departments and agencies.

SECTION II: BILLED COSTS

In addition to Section I, which provides for services furnished but not billed, the services listed below are furnished and billed to State/local departments and agencies.

1. Information Services Division
2. General Services Division (Capitol Complex)
3. Publications and Graphics
4. Mail and Distribution
5. Telecommunications
6. Central Stores and Surplus Property
7. Public Employees' Retirement System
8. Teachers' retirement System
9. Automobile Insurance (Tort Claims Division)
10. Comprehensive Liability Insurance (Tort Claims Division)
11. Department of Highway's State Motor Pool
12. Division of Worker's Compensation
13. Office of Legislative Auditor (Compliance Audits)
14. Office of Attorney General
15. State Auditor's Office - Central Payroll Services

SECTION III: CONDITIONS

The amounts approved in Section I and the billings for the services listed in Section II are subject to the following conditions:

A. LIMITATIONS: (1) Charges resulting from this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. (2) Such charges represent costs incurred by the State/locality which are legal obligations of the State/locality and are allowable under OMB Circular A-87. (3) The same costs that are treated as indirect costs are not claimed as direct costs. (4) Similar types of costs are accorded consistent accounting treatment. (5) The information provided by the State/locality which was used to establish this Agreement is not later found to be materially incompleted or inaccurate.

B. ACCOUNTING CHANGES: This Agreement is based on the accounting system purported by the State/locality to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from use of this Agreement require prior approval of the authorized representative of the Cognizant Agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from allocated cost to a billed cost. Failure to obtain approval may result in cost disallowances.

C. FIXED AMOUNTS: If fixed amounts are approved in Section I of this Agreement, they are based on an estimate of the costs for the period covered by the Agreement. When the actual costs for this period are determined, adjustments will be made to the amounts of a future year to compensate for the difference between the costs used to establish the fixed amounts and actual costs.

D. BILLED COSTS: Charges for the services listed in Section II will be billed in accordance with rates established by the State/locality. These rates will be based on the estimated costs of providing the services. Adjustments for variances between billed costs and the actual allowable costs of providing the services, as defined by OMB Circular A-87, will be made in accordance with procedures agreed to between the State/locality and the Cognizant Agency.

E. USE BY OTHER FEDERAL AGENCIES: This Agreement was executed in accordance with the authority in OMB Circular A-87, and should be applied to grants, contracts and other agreements covered by that Circular, subject to any limitations in Paragraph A above. The State/locality may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

F. SPECIAL REMARKS:

BY THE STATE/LOCALITY

STATE/LOCALITY

(Signature)

(Name)

Director

(Title)

7-8-91

(Date)

BY THE COGNIZANT AGENCY
ON BEHALF OF THE FEDERAL GOVERNMENT
DEPARTMENT OF HEALTH AND HUMAN SERVICES

(Signature)
David S. Low

Director, Division of Cost Allocation

May 24, 1991
(Date)

HHS Representative John T. Dernovish

Telephone (415) 556-1704

EXHIBIT A-1
revised 17-June-91

STATE OF MONTANA
STATE WIDE COST ALLOCATION PLAN
FOR THE FISCAL YEAR ENDING 6/30/90

DEPT	Building Use Chg	Equip Use Chg	DOA Director	DOA Accounting	DOA Publ & Grap	DOA Info Serv	DOA Telecomm	DOA Gourl Serv	DOA Prop & Supply	DOA Purch	DOA Mail & Mess	DOA Cent-Serv	DOA Personnel	State Auditor	Legis Auditor	State Library	Budget/Pr Planning	Fixed FY 1990 Costs
DOA-Arch & Engineering	(6,480)		(15,361)	(259)				1,144		5	39	3,668	745		(373)		123	(16,949)
DOA-Tort Claims	3,166		15,172	2,772				289		84	36	5,709	406		1,686		671	29,991
DOA-Worker's Comp			13,328	1,572						3	32	1,702	320		1,686		38	18,681
DOA-Tax Appeals			15,170	1,070						9	37	1,611	290		16,466		59	32,712
DOA-Bonds & TANS															1,159			1,159
Public Employee Retirement			(6,048)	13,208		(32)				10	163	136,482	1,088	78,786	20,112	(814)	(3,463)	239,492
Teacher's Retirement			3,292	10,751		(1,483)		677		10	36	112,552	459	68,854	5,051		5,277	205,476
Long Range Building				6,943						37		342		1,467	5,061		206	14,056
TOTAL DEPT OF ADMIN	(3,314)	0	25,553	36,037	0	(1,515)	0	2,110	0	158	343	262,066	3,308	149,107	50,648	(814)	2,911	524,618
Montana State Prison				11,683	(67)	(4)				(8,394)	3,386		1,015	31,772	13,708	10,109	5,267	68,475
Swan River Youth Camp				1,301	(1)						1,639		77	1,449	864	1,067	3,941	10,337
TOTAL PRISON	0	0	0	12,984	(68)	(4)	0	0	0	(8,394)	5,025	0	1,092	33,221	14,572	11,176	9,208	78,812
Institutions				12,031	(240)	(91)	(65,297)			(1,729)	7,681	24	1,542	7,564	4,267	38,774	28,657	6,734	39,917
MT Youth Treatment Center				(1,173)									(190)	(5,932)	(3,456)	(626)		(499)	(13,876)
MT Development Center				(7,288)	(105)	(8)				(3,159)	7,408		318	28,871	10,218	442		(8,895)	27,798
Center for the Aged				1,486	(6)	(1)				(1,037)	2,001		(12)	6,716	2,768	1,067		3,172	16,154
Eastmont Training Center				1,902	(1)					(598)	1,583		253	6,846	2,107	1,692		3,119	16,883
TOTAL INSTITUTIONS	0	0	0	6,938	(352)	(100)	(65,297)	0		(6,323)	18,673	24	1,891	44,065	13,904	41,349	28,657	3,627	86,876
Billings Vo-Tech				7,503	(74)		(62)			(959)	1,757		(1,481)	2,589	872	10,040		3,563	23,748
Butte Vo-Tech				11,300	(74)					(425)	397		275	1,847	1,258	14,051		2,017	30,646
Great Falls Vo-Tech				13,362	(74)		(125)			(251)	383		460	2,276	2,012	16,369		2,079	36,491
Helena Vo-Tech				19,068	(74)		(125)			(802)	216	30	54	2,449	9,040	22,699		2,106	54,663
Missoula Vo-Tech				18,139	(74)					(1,572)	1,615		(1,068)	2,635	1,369	21,401		2,094	44,739
TOTAL VOCATIONAL TECH	0	0	0	69,372	(370)	0	(312)	0		(4,009)	4,370	30	(1,760)	11,796	14,751	84,560	0	11,859	190,287
University of Montana				49,315	(1,295)	(221)	(179,395)			(12,528)	32,168		1,774	57,987	656	34,141		3,915	(13,283)
Montana State University				25,013	(3,732)	(644)	(396,719)			(16,630)	35,960		21,349	69,573	30,809	36,909		(819)	(198,931)
College of Mineral Sci & Tech				19,276	(1,074)	(141)	(31,180)			(1,865)	3,958		5,193	14,871	7,133	29,438		(4,685)	40,926
Eastern Montana College				24,342	(639)	(163)	(79,231)			(5,219)	11,460		12,770	23,625	14,955	29,840	0	1,007	32,747
Northern Montana College				19,327	(224)	(146)	(25,369)			(2,640)	13,219		6,094	14,716	8,181	25,731		(540)	58,349
Western Montana College				19,151	(340)	(166)	(36,866)			(1,666)	19,828		4,771	7,937	6,374	25,507		(1,112)	43,418
TOTAL COLLEGES & UNIV	0	0	0	156,624	(7,304)	(1,481)	(748,760)	0		(40,548)	116,593	0	51,951	188,709	68,110	181,566	0	(2,234)	(36,774)
L&I - Employ Services				16,934	(1,416)	(11,411)	(39,616)	6,357		(9,447)	6,921	433	614	39,586	(29,153)	23,984	10,833	43,463	58,082
L&I - Worker's Comp				28,326	(1,575)	(14,308)	(24,806)			(1,336)	(4,250)	37	25,611	16,692	37,944	6,117		41,657	110,109
TOTAL LABOR & INDUSTRI	0	0	0	45,260	(2,991)	(25,719)	(64,422)	6,357		(10,783)	2,671	470	26,225	56,278	8,791	30,101	10,833	85,120	168,191
Family Services											81								81
Mountain View School				1,535	(19)					(723)	4,487		383	4,443	(2,412)	1,692		3,018	12,404
Pine Hills School				(450)	(2)		(4,686)			(834)	2,013		283	8,053	(4,136)	(1,481)		3,321	2,061
TOTAL FAMILY SERVICES	0	0	0	1,085	(21)	0	(4,686)	0		(1,557)	6,581	0	666	12,496	(6,568)	211	0	6,339	14,546
OTHER DEPARTMENTS																			
LEGIS FISCAL ANALYST	381			1,753	(183)	(310)	(1,500)	403		(157)	(1,040)	43	100	836	547	1,686		(465)	2,094
LEGISLATIVE COUNCIL	1,103			4,837	(2,100)	(1,764)	(14,871)	1,166		(157)	(323)	74	(11)	1,987	749	3,591		1,947	(3,772)
SENATE				1,624	(10)						1		9	48	(687)	1,686		(135)	2,536
HOUSE				1,607	(11)								17	48	(1,335)	1,686	6,377	(143)	8,244
ENVIRON QUALITY				3,296	(209)		(562)			(16)	4	30	98	325	303	3,375		393	7,037
CONSUMER COUNCIL				1,746	(29)		(500)			(31)	21	41	63	203	(101)	1,686		(145)	2,954
JUDICIARY	26,822			7,046	(382)	(188)	(5,124)	3,514		(487)	(545)	109	(763)	3,339	1,558	9,412	2,170	3,711	50,412
LAW LIBRARY	21,426	37,817		1,832	(144)	(11)	(313)	2,806		(105)	20	109	30	467	258	1,686		74	65,932
GOVERNOR	1,337			6,332	(639)		(5,436)	1,413		(864)	3,899	143	167	1,943	109	5,815	2,790	4,856	21,865
NW REGIONAL POWER				(732)	(12)		(1,062)	112			4	26	36	279	303	(2,077)	620	(427)	(2,930)
SEC OF STATE				2,892	(1,026)	(3,486)	(2,125)	410		(345)	701	150	(1,601)	847	(28)	4,778		(1,414)	(247)
COMM POLITICAL PRAC				1,638	(79)		(313)	46		(47)	1		(4)	33	(34)	2,045		(344)	2,924
OFFICE OF PUBLIC INSTR				45,295	(2,020)	(61)	(12,060)	1,284		(1,084)	787	181	(2,595)	6,336	782	11,775	3,410	3,139	55,169
CRIME CONTROL DIV				3,360			(1,437)				9		597	1,050	1,796	2,743		2,950	11,268

EXHIBIT A-1
revised 17-June-91

STATE OF MONTANA
STATE WIDE COST ALLOCATION PLAN
FOR THE FISCAL YEAR ENDING 6/30/90

DEPT	Building Use Chg	Equip Use Chg	DOA Director	DOA Accounting	DOA Publ & Grap	DOA Info Serv	DOA Telecomm	DOA Genrl Serv	DOA Prop & Supply	DOA Purch	DOA Mail & Mess	DOA Cost-Serv	DOA Personnel	State Auditor	Legis Auditor	State Library	Budget/Pr Planning	Fixed FY 1990 Costs
HWY TRAF SAFETY				1,756			(1,000)			(585)		80	406	(272)	1,686		(345)	1,726
JUSTICE DEPARTMENT	15,404			32,407	(4,269)	(12,124)	(18,933)	7,535	(2,751)	9,711	286	(24,962)	29,268	(17,856)	28,672	(5,006)	39,590	76,972
PUBLIC SERVICE REG				1,865	(309)	(267)	(3,312)		(535)	6,457	70	(638)	2,194	1,280	4,015	3,364	1,785	15,949
BOARD OF PUBLIC ED				2,964	(157)	(6)	(1,250)		(204)	(193)		113	426	421	2,762	1,240	(740)	5,376
COMM OF HIGHER ED				49,683	(299)	(212)	(4,686)		(503)	1,848	51	2,546	2,298	6,337	20,433	310	66,603	144,429
AGRICUL EXPER STA				6,316					(1,902)	7,464		(1,572)	15,880		4,614		(277)	30,523
COOP EXTENSION				1,802					(314)	(904)		(1,773)	4,388		212		(885)	2,526
FORESTRY/CONSERV				1,765						6		(69)	575		1,686		(974)	2,989
SCHOOL FOR DEAF/BLIND				11,168	(27)		(7,061)		(1,069)	3,791		537	5,264	5,884	8,931		(7,820)	19,398
MONTANA ARTS COUNCIL				1,019	(239)		(750)		(188)	186	31	141	642	638	2,458	3,100	3,041	10,079
MONTANA COUN VOC ED				1,637	(38)		(874)		(31)	505	25	88	96	93	2,229		(770)	2,960
HISTORICAL SOCIETY				6,844	(819)	(117)	(3,749)	5,641	(298)	1,882	81	(5,923)	3,062	137	9,897	271	2,990	19,899
BOARD OF REGENTS				3,102						1		24		63	3,658		(371)	6,477
FIRE SERV TRAINING				1,700	(70)		(187)			3		84	178	167	2,582		(4,865)	(408)
FISH, WILDLIFE, & PARKS				13,004	(4,004)	(3,632)	(35,429)	2,727	(4,339)	13,827	40	20,413	30,571	2,708	23,472	13,809	722	75,889
HEALTH & ENVIR SCIENCE				6,365	(3,376)	(2,271)	(28,993)	12,464	(2,232)	10,173	53	(13,200)	19,397	(987)	3,568	20,109	32,110	53,180
HIGHWAYS				42,234	(1,808)	(9,121)	(68,984)	112	(10,805)	61,282	248	4,699	123,111	(112,006)	25,705	7,347	21,363	83,377
STATE MOTOR POOL				2,301	(6)	(21)	(187)		(24)	476	42	44	206	287	1,159		60	4,337
STATE LANDS				18,486	(576)	(3,729)	(24,370)	660	(2,546)	(829)	96	(608)	14,816	102	14,013	10,789	18,933	45,237
LIVESTOCK				14,611	(684)	(589)	(7,873)	3,271	(409)	871	86	(11,395)	5,465	(3,598)	17,515		4,092	21,363
NAT RES & CONSV	(23)			10,401	(2,587)	(2,465)	(25,682)	2,582	(2,515)	(6,652)	190	(3,300)	10,296	(3,420)	12,538	36,912	23,617	67,892
REVENUE	37,312			35,148	(5,922)	(14,762)	(49,238)	2,132	(8,645)	18,338	187	60,096	40,957	111,394	36,012	3,246	41,167	305,622
AGRICULTURE				3,371	(724)	(175)	(4,811)	2,902	(755)	2,989	100	(4,872)	5,010	4,397	3,993	10,649	4,254	26,328
VETERANS HOME				1,476	(10)				(220)	6,212		(104)	6,966	(2,469)	1,067		3,136	16,054
MONTANA STATE HOSP				238	(347)	(3)			(5,911)	16,276		(107)	48,998	7,102	(4,032)		6,276	68,490
BOARD OF PARDONS				(12,243)						(1,236)	26	(4)	190	74	1,067		1,669	(10,457)
COMMERCE				58,236	(11,339)	(1,413)	(43,927)	5,901	(3,144)	10,367	577	6,744	21,320	27,862	31,544	17,074	34,605	174,407
ADJUTANT GENERAL				4,317	(197)	(54)	(25,996)		(1,399)	1,779	59	1,445	2,369	1,429	5,248	2,480	(2,875)	(9,193)
AG-DISASTER FUND				3,408			(62)				19	(4)	1,181	(110)	2,336		2,747	9,715
AG-VETERAN AFFAIRS				(413)						3				(3)	(632)			(1,045)
SOCIAL & REHAB SERV				66,380	(5,883)	(10,923)	(62,922)	6,270	(8,048)	19,917	293	485	74,638	(83,693)	48,504	18,524	58,920	122,458
LIBRARY DIRECT																		0
JUSTICE DIRECT																		0
OTHER PROGRAMS	48,019				(375)	(367)	(9,126)	1,177		698	2,507		319		184	3,409	24,509	70,954
TOTALS	148,667	37,817	23,553	800,414	(62,017)	(96,892)	(1,356,180)	72,995	(133,894)	342,273	6,840	367,262	838,523	210,828	786,794	223,670	503,092	2,713,745

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

BUILDING USE ALLOWANCE

NARRATIVE

The State does not currently depreciate its fixed assets for accounting purposes. Therefore, a use share of two percent of the cost of construction and renovation of State buildings has been included in this schedule. Building use charges are allocated to internal service funds since no building use charge is included in the internal service fund financial statements. Use charges for four buildings are included in this schedule.

The building use charges are allocated to departments based on the usable square footage occupied in each building.

Major Changes from the 1987 SWCAP.

None.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph B.11.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

EQUIPMENT USE CHARGE

NARRATIVE

The State does not currently depreciate equipment for accounting purposes. In lieu of depreciation, a use charge of 6.67% of equipment purchases has been allocated to each central service agency.

The Use Charge is allocated based on the Property Accountability Management System (PAMS) records maintained by the Department of Administration - Division of Accounting.

Major Changes from the 1987 SWCAP.

Equipment Use Charge has been allocated to Central Service Departments only. No use charge has been allocated to the Department of Justice due to the recovery of these costs through the Department of Justice Cost Recovery Plan.

Use charge allocated to DOA-Director includes allocation for all Department of Administration (DOA) divisions. This cost will be reallocated through the DOA-Director central service department as a means of distributing the costs to all other DOA divisions.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph B.11.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

DIRECTOR'S OFFICE

NARRATIVE

The Department of Administration (DOA) has responsibility to provide centralized services for State agencies in the following areas: accounting and financial reporting; Capital Complex Building maintenance; Capital security; State bonded indebtedness administration; State treasury services; insurance coverage; systems development; telecommunications; data processing; personnel management and labor relations; purchasing; duplicating; mail and messenger services; records management; employee group benefits programs; and various State retirement systems. The DOA - Director's Office is responsible for the overall supervision and coordination of it's departments, divisions visions, boards and agencies.

Direct charges to some programs have been made for staff attorney time. Therefore those costs have been deducted as direct billed costs.

The costs for this schedule are allocated to each DOA program based on salaries and wages.

Major Changes from the 1987 SWCAP.

This department has formerly been titled DOA-Central Administration. The name has been changed in the plan to reflect the name used on the State of Montana Financials.

REF: OMB CIRCULAR A-87, Attachment B.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

ACCOUNTING

NARRATIVE

The Accounting Division staff operate and maintain the State-wide Budgeting and Accounting System (SBAS) and the Property Accountability Management System (PAMS). SBAS is used by all State agencies to account for the State's financial affairs. The Accounting Division has been functionalized and actual costs have been allocated as follows:

- o Daily - This function relates to the day-to-day flow of information into and out of the accounting system. Costs are allocated based on SBAS transactions per State agency.

- o APFRS - The Accounting Principle Financial Reporting Section sets State-wide accounting policy and meets financial reporting requirements. Costs are allocated based on total expenditures per State agency.

- o SBAS Support - This function relates to the cost of systems operations. Costs are allocated based on the number of programs per State agency.

Major Changes from the 1987 SWCAP.

None.

REF: OMB CIRCULAR A-87, Attachment B, paragraph B.1.

STATE OF MONTANA

DEPARTMENT OF ADMINISTRATION

PUBLICATIONS & GRAPHICS

NARRATIVE

Publications and Graphics Division offers services in printing, duplicating, computerized typography, layout and design, graphic and illustrative art, forms design, photo-reprographics, binding and quick-copy. They are responsible for all printing and printing-related purchasing for State government. The staff also operate the State's photocopier pool.

This department is operated as an internal service fund, therefore, the net allocable costs are allocated to users based on actual service charges. Revenues collected for services rendered have been deducted from total departmental expenses.

Major Changes from the 1987 SWCAP.

DOA-Publications and Graphics was a Grantee Department only on previous cost plans.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph B.23.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

INFORMATION SERVICES (DP) DIVISION

NARRATIVE

As an internal service fund, this Division provides the following services to State agencies: computer processing, design, development and continuous maintenance support of data processing training and application development; database services; micro computer and office automation support and consultation; records storage and microfilming services; hardware and software planning and coordination; and related services.

Total expenses have been reduced by costs recovered from direct billings to State agencies for services provided. Net allocable costs for this department are allocated based on actual service charges to State agencies and divisions.

Major Changes from the 1987 SWCAP.

DOA-Information Services was a Grantee Department only on previous cost plans.

REF: OMB CIRCULAR A-87 Attachment B, Paragraph C.1.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

TELECOMMUNICATIONS

NARRATIVE

This internal service fund provides State-wide data communications network services. These services include providing access to central maintenance; local and long distance telephone networking; design and development of telephone equipment; networking applications and other telecommunications needs. Agencies are charged for the use and maintenance of the telecommunications systems. These payments received from State agencies are deducted from total departmental expenses.
The Telecommunications Bureau has been functionalized and actual costs have been allocated as follows:

Net allocable costs have been allocated based on the actual number of telephone extensions per State agency.

Major Changes from the 1987 SWCAP.
DOA-Telecommunications was a Grantee Department only on previous cost plans.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph B.9.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

GENERAL SERVICES

NARRATIVE

This program provides services to the Capital Complex Buildings including repair, maintenance, security and custodial services. Charges for these services based on actual costs for for general protection, maintenance, utilities, housekeeping and repair.

DOA-General Services operates as an internal service fund (refered to as "Buildings & Grounds" in the CAFR). Total expenses for DOA-General Services have been reduced by costs recovered from direct billings to State agencies. Net allocable costs are allocated based on actual billings to State agencies.

Major Changes from the 1987 SWCAP.

DOA-General Services was a Grantee Department only on previous cost plans.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 7., 17., 18.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

PROPERTY & SUPPLY BUREAU

NARRATIVE

This internal service fund provides centralized purchasing and distribution of office and janitorial supplies for State agencies. Total department expenses have been reduced by revenue collected for services provided to State agencies.

Net allocable costs are allocated based on actual service charges.

Major Changes from the 1987 SWCAP.

DOA-Property & Supply was a Grantee Department only on previous cost plans.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 18.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

PURCHASING BUREAU

NARRATIVE

This division provides a centralized purchasing service for State agencies. The Division investigates sources for products, determines alternate product possibilities, prepares specifications, and enforces the terms and conditions outlined in the purchase orders issued. The office ensures compliance with purchasing laws and rules for agencies with delegate purchasing authority, and provides technical assistance with their purchases.

Purchasing has been functionalized and actual costs have been allocated as follows:

- General Purchases-IFB - Invitation for Bid costs are allocated based on the number of requisitions processed per State agency.

- RFP-Requests for Proposals - Costs related to RFP processing are allocated based on the total RFP's issued per State agency.

- Term Contracts - Term contracts are binding contracts for specific items or services which are competitively bid by the Purchasing Bureau on behalf of the State of Montana. Costs are allocated based on total operating and equipment costs per State agency.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

MAIL & DISTRIBUTION

NARRATIVE

This internal service fund provides mail service including U.S. Mail, deadmail, UPS and Capital Post Office service in the Capitol Complex. Users are billed for this service. Total departmental expenses are reduced by costs recovered from billings to State agencies.

Net allocable costs are allocated to users based on actual service charges to State agencies.

Major Changes from the 1987 SWCAP.

DOA-Mail & Distribution was a Grantee Department only on previous cost plans.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 9.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

CENTRALIZED SERVICES/TREASURY DIVISION

NARRATIVE

This division performs three major functions; 1) Providing accounting and budgeting services for all divisions and programs of the Department of Administration; 2) Recovering and accounting for all money deposited by State agencies and redeeming all State warrants presented for payments; and 3) Providing personnel functions/support to all agencies of the Department of Administration.

The department has been functionalized and actual costs have been allocated as follows:

- Treasury - Costs related to this function are allocated based on total warrants issued by all State agencies.
- Central Service Finance - This function's costs have been allocated to DOA programs based on total program expenditures.
- Central Service Personnel - Full-time equivalent staff per DOA program is the basis used to allocate costs related to this function.
- Central Service Investments - Costs associated with the investment function are eliminated as a general cost of government.

Major Changes from the 1987 SWCAP.

The function of Central Service Finance was allocated based on effort provided DOA Divisions in the 1987 SWCAP. This has been changed to divisional expenses as this is a more reflective and accurate measure of services provided.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 1., 6., 22.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

DEPARTMENT OF ADMINISTRATION

PERSONNEL DIVISION

NARRATIVE

The State Personnel Division provides State agencies with a comprehensive program of personnel administration including maintenance of position classification, collective bargaining and labor relations, group benefit plans, deferred compensation, training, equal employment and affirmative action, and other programs. The costs of employee benefits are recovered through earnings of the self-insurance fund.

The Personnel division has been functionalized and actual costs have been allocated as follows:

- o Labor Relations - The number of union covered employees per agency is the baisi used to allocate these costs.

- o Classification and Training - This function includes training, recruitment and classification costs. These costs are allocated based on full time equivalent staff per State agency.

- o Other Programs - Employee benefits and non-central service functions of the department are deducted so that allocated costs represent only the central service costs for the direct programs.

Major Changes from the 1987 SWCAP.

None.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 22.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

STATE AUDITOR'S OFFICE

NARRATIVE

This office has duties to superintend the fiscal concerns of the State, suggest plans for improvement and management of public revenues, keep an accounting system of all State funds, and pay the State Treasury all funds and moneys received. The office provides services in other areas also, primarily in distributing police and firemen's retirement funds to local government.

The State Auditor's office has been functionalized and actual costs have been allocated as follows:

- o General Services - This function includes the costs of Fiscal Control and Management Division Staff that provide direct mailing of State warrants, replacement of lost or damaged warrants and final storage of cashed warrants. Costs are allocated to all agencies based on total warrants processed per agency.

- o Payroll - Costs of operating the State Central Payroll System, which pays all State employees, are reflected in this function. A payroll service fee is assessed against non-general fund operations, therefore all direct billed costs are deducted from agency allocations and only net costs are allocated. Costs are allocated based on total payroll warrants by agency.

- o Other Programs - This represents the non-central service functions of the department. The direct costs of the department are deducted so that those costs allocated represent only the central service costs for the direct programs.

Major Changes from the 1987 SWCAP

None.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 21.,12.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

LEGISLATIVE AUDITOR

NARRATIVE

The Legislative Auditor is mandated to perform the State auditing function, as well as, biennial financial-compliance audits of all State agencies. Legislatively requested audits and performance audits are conducted to determine effectiveness, efficiency, and compliance with laws, rules, goals and objectives. Charges for services collected from State agencies have been deducted from the total expenses.

The Legislative Auditor has been functionalized and actual costs have been allocated as follows:

- Financial-Compliance Audit - Billable costs, reduced by any direct charges for services, are allocated directly to the Legislative Auditor-Compliance Audit department for further allocation to departments.

- Performance Audit - Total programs per State agency is the basis used to allocate costs related to performance audits.

- Legislative Requests - This function captures all the costs related to special requests made by members of the Legislative House or Senate. These costs are eliminated as general costs of government.

NOTESchedule 16.07 and 16.08 gives a summary of the allocations and roll forwards of both the Performance and Compliance audits. These summaries also include the total of allocations and roll forwards from the Legislative Auditor.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 4.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

LEGISLATIVE AUDITOR - Compliance Audit

NARRATIVE

This schedule is included in order to allocate the indirect costs of the Compliance Audit function of the Legislative Auditor without distributing a roll forward difference. The allocation of these indirect costs are allocated to all agencies based on billable costs of audit services in fiscal year 1988.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 4.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

STATE LIBRARY COMMISSION

NARRATIVE

The State Library serves as a reference center for State Agencies, business, individuals and other libraries, with the predominant user being other State Agencies. In accordance with Montana Law, the reference and information services program provides staff services, and collections of materials, making information services available for all State offices and State employees. Services include inter-library loans for all State employees, data base searching for both State employees and citizens in Montana. The costs related to the direct programs have been separated to the function of Other Programs so that the Reference/Info function reflects the only central service costs related to the direct programs. The non-central service costs of the Library Commission are treated as a direct allocation back to the Library Commission.

Major Changes from the 1987 SWCAP.
None.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 19.b.

STATE OF MONTANA

STATE-WIDE COST ALLOC PLAN

GOVERNOR'S OFFICE

OFFICE OF BUDGET AND PROGRAM PLANNING

NARRATIVE

This schedule includes the costs for the Office of Budget and Program Planning (OBPP). The division provides management services to State agencies, including planning and prepartion of their budget, and position control.

The following functions are used to distribute the costs for the OBPP:

- Program Planning - Expenditures are allocated based on the percentage of department effort.

- Position Control - Monitoring State agency staffing levels by program is the responsibility of this function. Costs are allocated on the basis of full-time equivalent staff per agency.

- DP Systems and Statistics - This function is responsible for monitoring and processing documents on a State-wide basis, and monitoring revenue - including Federal funding by program. Costs are allocated based on total departmental expenditures.

- General Government - Part of the cost of Program Planning is eliminated as a general cost of government due to budget work with the Legislature. These costs are determined using OBPP functionalized time allocations.

Major Changes from the 1987 SWCAP.

Direct billed costs for the State-wide single audit are no longer collected by the OBPP, therefore there is no direct billed deduction in this plan.

REF: OMB CIRCULAR A-87, Attachment B, Paragraph 6.